

A hospital which is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 receives payments from the Federal, State, and local governments for the care of patients under government programs. Held, these payments do not constitute 'funds contributed by the United States or any State' within the meaning of section 6033 of the Code for the purpose of the requirement for the filing of the annual information returns (Form 990-A) prescribed by that section.

I.T. 3710, C.B. 1945, 147, superseded.

The purpose of this Revenue Ruling is to update and restate, under the current statute and regulations, the position set forth in I.T. 3710, C.B. 1945, 147. This ruling relates to whether payments to a hospital exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 from the United States, a State, or local government for the care of patients under government programs constitute 'funds contributed by the United States or any State' within the meaning of section 6033 of the Code for the purpose of the requirement for the filing of the annual information returns (Form 990-A, Return of Organization Exempt From Income Tax) prescribed by that section.

The hospital receives income from the Federal, State, and local governments in the form of fees paid for the care of patients pursuant to public assistance, workmen's compensation, emergency maternity and infant care, and other government programs under which the hospital cares for patients and receives payments therefor. The hospital does not receive any voluntary contributions from the United States or any State or local government but only fees for the care of patients.

Section 6033(a) of the Code requires the filing of annual information returns by certain organizations exempt under section 501(c)(3) of the Code. Section 6033(a)(3) of the Code provides that no such annual information returns need be filed by a charitable organization which is supported, in whole or in part, by 'funds contributed by the United States or any State or political subdivision thereof.'

Payments received for the care of patients under government programs are in the nature of fees paid for services rendered rather than contributions.

Accordingly, such amounts do not constitute 'funds contributed by the United States or any State or political subdivision thereof' within the meaning of section 6033(a)(3) of the Code for the purpose of the requirement for the filing of the annual information returns (Form 990-A) prescribed by section 6033(a) of the Code.

This Revenue Ruling restates under current law the position

set forth in I.T. 3710. Therefore, I.T. 3710 is hereby  
superseded.